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CENTRAL INTELLIGENCE AGENCY

MEMORANDUM: The Possibility of a GVN Deal with North Vietnam

- 1. We have received a number of recent reports which raise the possibility of a GVN deal of some kind with North Vietnam:
 - a. Polish ICC Commissioner Manelli has reportedly presented a Ho Chi Minh proposal to Nhu for a de facto cease-fire by the Viet Cong; Nhu is allegedly studying this proposal, believing that it might become relevant in three to four months.

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has told Ambassador
Lodge that Nhu has always thought of negotiating with the North and believes himself clever
enough to bring it off.

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- have warned American officials
 In Saigon of Manelli-Nhu conversations regarding a possible deal with North Vietnam.
- d. Nhu has admitted to our Chief of Station, Saigon, that he has talked with Manelli, and that he (Nhu) has been in contact for some time with Viet Cong agents in South Vietnam, maintaining that his purpose is not to explore a deal with the North but to wean senior Viet Cong cadre in the South away from the Communist cause.
- e. appears to be at least prepared to serve--11 he is not already doing so--as a Nhu-Ho communication link.
- f. President de Gaulle's recent initiative concerning Vietnam reiterates long standing

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- 2. Although we do not feel that there is great danger of an imminent GVN arrangement of some form with the North, we do believe that there is enough of a possibility of such a deal, at some time in the near future, to warrant special US watchfulness and concern. In our view, the problem is not one of Diem or Nhu's "going over" to Ho or wittingly surrendering their country to Communist domination. Instead, the dangers lie in the fact that Diem and Nhu consider their own interests to be those of their country, and might feel that they could successfully manipulate political dealings with Hanoi. Thus, they might at some juncture seek to work out a modus vivendi with the North, out of belief that a deal with kindred peoples was better than submitting to foreign (US) pressures.
- The chances that Diem and Nhu might indeed attempt to seek some negotiated solution with the North would probably rise if they felt that US pressures had become so intense that they were backed into a corner. If they felt their only other alternatives to be either the end of their own primacy, or humiliating acceptance of a much greater US voice in the political direction of South Vietnam, they might opt for an "opening to the North." Their success in effecting such a deal would in large measure depend on their method and timing. If it became known that Diem and Nhu seriously intended to seek an accommodation with the North, this might well precipitate a coup attempt by certain South Vietnamese military leaders. However, if Diem and Nhu were able to make it appear that their dealings with the North were intended to serve, and not endanger, South Vietnamese interests, they might then succeed. In any event, there might be considerable public acquiescence in a North-South "solution" in the event that the military and political situations had declined sharply from present levels.